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Jocelyn Boyd, Esq.
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

Dear Ms. Boyd:

AT&T South Carolina respectfully submits this letter to: (a) give the Commission notice that effective March 8, 2013, AT&T South Carolina will increase prices for its stand-alone basic residential lines that remain subject to the inflation-based price index set forth in S.C. Code Ann. §58-9-576(C)(2); and (b) demonstrate AT&T South Carolina's compliance with that index.¹

AT&T South Carolina "may increase its rates for [these lines] on an annual basis by a percentage that does not exceed the percentage increase over the prior year in the Gross Domestic Product Price Index, as reported by the United States Department of Labor, Bureau of Labor Statistics." See S.C. Code Ann. §58-9-576(C)(2). Attachment A to this letter reflects a 1.64% increase in the GDP-PI from the third quarter 2011 (113.937) to the third quarter 2012 (115.807).

Attachment B to this letter reflects AT&T South Carolina's current prices for these lines in each rate group and the new prices AT&T South Carolina will begin charging for these services in each rate group on March 8, 2013. In each instance, the new rate is no more than 1.64% higher than the current rate.

Yours very truly,

Executive Director

CC: Tom Allen, SC Office of Regulatory Staff

¹ See AT&T South Carolina's September 25, 2009 Letter Submitting Tariff Revisions (stating that on a going-forward basis, AT&T South Carolina will make appropriate filings with the Commission, with copies to the ORS, to give notice of such increases and to demonstrate compliance with this statutory provision).

ATTACHMENT A

Bureau of Economic Analysis

Table 1.1.4. Price Indexes for Gross Domestic Product

[Index numbers, 2005=100] Seasonally adjusted

Last Revised on: December 20, 2012 - Next Release Date January 30, 2013

Line	2010	2010	2010	2010	2011	2011	2011	2011
	I	II	III	IV	I	II	III	IV
1 Gross domestic product	110.234	110.686	111.248	111.838	112.389	113.109	113.937	114.041
2 Personal consumption expenditures	110.642	110.800	111.154	111.751	112.640	113.633	114.293	114.593
3 Goods	105.025	104.283	104.540	105.561	107.266	108.820	109.633	109.569
4 Durable goods	92.341	91.883	91.353	90.868	90.751	91.104	90.960	90.381
5 Nondurable goods	112.464	111.562	112.277	114.184	116.974	119.240	120.626	120.879
6 Services	113.647	114.282	114.687	115.057	115.503	116.193	116.772	117.270
7 Gross private domestic investment	104.474	104.573	104.916	105.453	105.786	106.272	106.686	107.013
8 Fixed investment	104.784	104.762	105.061	105.487	105.866	106.509	106.992	107.352
9 Nonresidential	105.188	105.304	105.589	105.973	106.483	107.174	107.687	108.092
10 Structures	119.968	120.670	121.442	122.552	124.097	126.118	127.882	129.302
11 Equipment and software	99.799	99.690	99.797	99.939	100.134	100.430	100.562	100.656
12 Residential	102.573	102.064	102.421	103.020	102.861	103.300	103.650	103.812
13 Change in private inventories	---	---	---	---	---	---	---	---
14 Net exports of goods and services	---	---	---	---	---	---	---	---
15 Exports	108.972	110.303	110.562	113.117	116.123	118.485	118.992	117.839
16 Goods	107.777	109.230	109.509	112.795	116.379	119.036	119.393	117.920
17 Services	111.619	112.685	112.905	113.754	115.397	117.059	117.910	117.520
18 Imports	113.200	112.595	111.726	114.434	119.417	123.057	122.466	122.463
19 Goods	112.930	112.140	111.047	113.964	119.690	123.769	123.143	123.328
20 Services	113.998	114.239	114.464	116.154	117.443	118.914	118.532	117.614
21 Government consumption expenditures and gross investment	116.555	116.916	117.406	118.461	119.964	121.168	121.898	121.903
22 Federal	113.016	113.339	113.668	114.309	115.696	116.714	117.365	117.111
23 National defense	113.420	113.696	113.947	114.742	116.440	117.375	118.047	117.780
24 Nondefense	112.206	112.624	113.105	113.435	114.207	115.384	115.994	115.764
25 State and local	118.654	119.038	119.639	120.985	122.565	123.895	124.678	124.866

Line	2012	2012	2012
	I	II	III
1 Gross domestic product	114.608	115.050	115.807
2 Personal consumption expenditures	115.300	115.496	115.952
3 Goods	110.256	109.743	110.261
4 Durable goods	90.157	89.888	89.358
5 Nondurable goods	122.136	121.472	122.659
6 Services	117.989	118.576	118.997
7 Gross private domestic investment	107.292	107.647	107.818
8 Fixed investment	107.661	107.977	108.324
9 Nonresidential	108.562	108.878	109.104
10 Structures	130.167	131.198	131.540
11 Equipment and software	101.001	101.094	101.282
12 Residential	103.439	103.754	104.593
13 Change in private inventories	---	---	---
14 Net exports of goods and services	---	---	---
15 Exports	118.652	118.802	118.792
16 Goods	118.617	118.511	118.549
17 Services	118.609	119.385	119.255
18 Imports	124.156	122.942	120.907
19 Goods	125.262	123.743	121.346
20 Services	118.117	118.399	118.133
21 Government consumption expenditures and gross investment	122.979	123.157	123.574
22 Federal	118.038	118.403	118.679
23 National defense	119.008	119.268	119.541
24 Nondefense	116.096	116.664	116.948
25 State and local	126.042	126.089	126.605

ATTACHMENT B

A3. BASIC LOCAL EXCHANGE SERVICE

A3.1 General

- A. Basic local exchange service is comprised of exchange access lines defined as follows:

Exchange Access Line - The serving central office line equipment and all Company plant facilities up to the demarcation point. These facilities are Company-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the *guidebook specified* use offering selected by the customer. (T)

- B. Exchange access lines are subject to the nonrecurring charges specified in Section A4.

- C. Rates for basic local exchange service are related to the total number of exchange access lines and PBX trunks in the local calling area.

- D. Customers subscribing to a total of 1000 or more PBX trunks or Network Access Registers (NARs), aggregated on a statewide basis, will receive a ten percent discount on the monthly recurring rates for these services and on any billed local usage associated with these PBX trunks or NARs. Service furnished under the Sharing and Resale of Basic Local Exchange Service offering will be excluded. Customer accounts will be reviewed annually to determine eligibility for the discount.

- E. Base Rate Areas, Zone Rate Areas and Exchange Service Areas for each exchange are identified on maps *issued* as a supplement to this *Guidebook*. (T)

- F. Rate Group Definition

Group	Exchange Access Lines and PBX Trunks Upper Limits
1	7,000
2	15,000
3	28,500
4	50,000
5	78,000
6	125,000
7	Unlimited

A3.2 Statewide Rate Schedules

A3.2.1 Flat Rate Service

- A. Basic Flat Rate Service

- The following statewide schedule of rates is applicable to basic flat rate exchange access line service. The rates specified herein, with zone charges when applicable to service furnished outside the base rate area of an exchange, entitle subscribers to an unlimited number of messages to all exchange access lines bearing the designations of central offices within the serving exchange and basic service area additional exchanges listed in A3.4, Local Calling Areas.

- Monthly Rates By Rate Group

- Residence Individual Lines

- (1) Rate Groups 1 - 4

	Group				USOC	
(a) Per line	1	2	3	4	IFR	(I)
	\$13.61	\$14.10	\$14.58	\$15.06		

- (2) Rate Groups 5 - 7

	Group			USOC	
(a) Per line	5	6	7	IFR	(I)
	\$15.55	\$16.03	\$16.52		

A3. BASIC LOCAL EXCHANGE SERVICE

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Exchange Access Line - The serving central office line equipment and all Company plant facilities up to the demarcation point. These facilities are Company-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the guidebook specified use offering selected by the customer.
- B. Exchange access lines are subject to the nonrecurring charges specified in Section A4.
- C. Rates for basic local exchange service are related to the total number of exchange access lines and PBX trunks in the local calling area.
- D. Customers subscribing to a total of 1000 or more PBX trunks or Network Access Registers (NARs), aggregated on a statewide basis, will receive a ten percent discount on the monthly recurring rates for these services and on any billed local usage associated with these PBX trunks or NARs. Service furnished under the Sharing and Resale of Basic Local Exchange Service offering will be excluded. Customer accounts will be reviewed annually to determine eligibility for the discount.
- E. Base Rate Areas, Zone Rate Areas and Exchange Service Areas for each exchange are identified on maps issued as a supplement to this Guidebook.
- F. Rate Group Definition

Group	Exchange Access Lines and PBX Trunks Upper Limits
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 - Monthly Rates By Rate Group
 - Residence Individual Lines
 - Rate Groups 1 - 4

		Group				USOC 1FR	(1)
	(a) Per line	1	2	3	4		
(2) Rate Groups 1 - 4		\$13.83	\$14.33	\$14.82	\$15.31		

		Group			USOC 1FR	(1)
	(a) Per line	5	6	7		
		\$15.81	\$16.29	\$16.79		